

# 5 Costly Accounting Mistakes Checklist

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## (And How to Avoid Them Before They Hurt Your Business)

Running a small business? Use this checklist to avoid common accounting errors that can cost you thousands—or even trigger an IRS audit.

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### ✗ MISTAKE #1: DIY Accounting to “Save Money”

#### Risks:

- Missed tax deductions
- Late filing penalties
- Cash flow mismanagement

#### Fix It:

- ✓ Use cloud accounting software (QuickBooks, Xero)
- ✓ Hire a professional bookkeeper

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### ✗ MISTAKE #2: Mixing Personal & Business Finances

#### Risks:

- Tax filing confusion
- IRS audit red flags
- Loan application issues

#### Fix It:

- ✓ Open a separate business bank account
- ✓ Get a dedicated business credit card
- ✓ Use accounting software to categorize expenses

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### ✗ MISTAKE #3: Ignoring Receivables

#### Risks:

- Late client payments

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- Lost or forgotten invoices
- Cash flow shortages

**Fix It:**

- ✓ Automate invoicing (e.g., FreshBooks, QuickBooks)
- ✓ Set up payment reminders and apply late fees
- ✓ Track receivables regularly

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**✗ MISTAKE #4: Misclassifying Employees vs. Contractors**

**Risks:**

- IRS fines
- Legal trouble
- Payroll tax issues

**Fix It:**

- ✓ Follow IRS classification guidelines
- ✓ Issue correct forms (W-2 for employees, 1099 for contractors)
- ✓ Consult a professional accountant

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**✗ MISTAKE #5: Poor Tax Planning**

**Risks:**

- Overpaying taxes
- Missed deductions
- Penalties for missed payments

**ACCOUNTING**

**&**

**FINANCIAL SERVICES**

**Fix It:**

- ✓ Track deductible expenses year-round
- ✓ Make timely estimated tax payments
- ✓ Use a CPA for strategic tax planning

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**○ BONUS: Spyglass Prevention Tools**

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At Spyglass Accounting, we help small businesses stay compliant and profitable with:

- ✓ Real-time cloud-based bookkeeping
- ✓ Smart tax optimization strategies
- ✓ Accurate cash flow forecasting



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